

# ASIC IN THE COMMUNITY

In July 2007, we launched our corporate social responsibility program, ASIC in the Community, which recognises that ASIC's people are all part of the broader communities in which we live. It is run by a representative staff committee drawn from all offices and provides staff with opportunities to contribute to the wider community.

ASIC in the Community has three elements: workplace giving, reducing ASIC's environmental footprint and staff volunteering.

Establishing the workplace giving program was the first priority. Staff were initially surveyed to determine the cause areas and organisations they wanted to support, and the program was formally launched in December 2007. Staff can nominate for automatic pay deductions to go directly to any of 20 registered charities. By year's end, 5 per cent of ASIC staff were giving through the program and \$15,860 had been raised for the 20 charities.

One-off fundraising activities throughout the year, including Pink Ribbon and Cancer Council morning teas and 'Movember', raised \$27,120. A Tasmanian staff member also raised \$35,000, as the start of ASIC's Silver partnership with the National Breast Cancer Foundation. We are aiming to raise \$50,000 for a Victorian-based research project that is examining alternatives to chemotherapy for treating breast cancer.

In total, \$77,980 was contributed by ASIC staff to worthwhile causes in 2007-08.

Other activities in this inaugural year included organising Club Red, an ongoing blood donation program (staff have made at least 322 donations, which would help 966 people), an organ donation awareness campaign, involvement in Harmony Day and knitting numerous blankets to send overseas for those in need of some colourful warmth.

On the environmental front, we are building on work in previous years to reduce ASIC's carbon footprint and the waste we produce. Some 67 per cent of our fleet vehicles (up from 58 per cent last year) and 50 per cent of our senior executive service fleet (up from 43 per cent last year) have a 'Green Vehicle Guide' rating of 10.5 or better and we have introduced recycled paper in all our offices. Our energy consumption per person is 9739 MJ, under our target of 10,000 MJ, and we are proposing to separately meter our IT server rooms to enable us to better analyse our energy usage and further develop strategies for increasing energy efficiency. We are also raising awareness about how our people can reduce their impact on the environment.

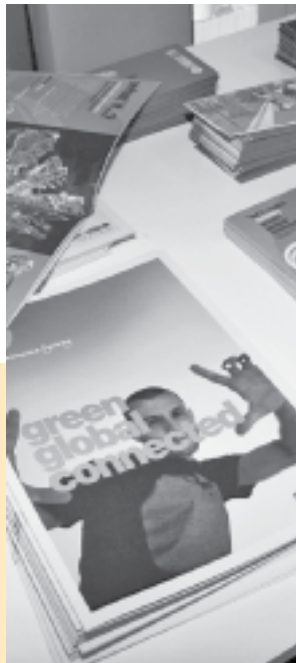
**In total, \$77,980 was contributed by ASIC staff to worthwhile causes in 2007-08.**

We obtained re-certification of ASIC's Sydney office at No. 1 Martin Place to International Standard ISO 14001:2004 *Environmental Management Systems*. At this site, commingled recycling (glass, aluminium, plastic) increased by 6 per cent and paper recycling increased by 35 per cent. ISO certification of ASIC's Melbourne office is expected to be formalised in July 2008 and preparation is under way for the certification of other offices next year.

The ASIC in the Community volunteering program will be launched during 2008. In the meantime, staff gave 42 presentations on financial literacy and consumer-related topics to community groups and schools as part of our new Staff Speaker Program.

# manage

ASIC IN THE COMMUNITY



ABOVE: Our staff enthusiastically embraced the ASIC in the Community program.

# OUR PEOPLE

Our People & Development function focused on the attraction and retention of quality staff, leadership development, learning and performance. With a clearer employment value proposition and better alignment between our attraction strategies and our business goals, we are now better able to compete for talent in the marketplace.

We had 24 graduates participate in a 12-month rotational program, including structured development, and all places in our 2009 National Graduate Program were filled by year's end. We are developing a new secondment program to encourage secondments into and out of ASIC.

Our learning and development activities provided opportunities for staff to build upon their personal and professional skills, develop functional and technical skills, and enhance management and leadership skills. Some 1350 staff members attended at least one of the 493 training sessions delivered. We also encouraged internal subject matter experts to share their technical skills and knowledge through the communities of practice (COP) network.

Turnover of ongoing staff increased by 1.48 percentage points to 11.48 per cent. We are working to understand the factors that contribute to staff deciding to join, remain with or leave ASIC, through new starter and exit interviews and data from staff opinion surveys.

## 2008–09

The Strategic Review has redefined our learning and development priorities. A key business change required to meet ASIC's future goals is to build our internal capabilities by developing more highly skilled and market-knowledgeable staff.

We have a renewed focus on building skills and credentials. Senior leaders will be appointed as Network Leaders with responsibility for ensuring that the appropriate development and skill-building pathways are established so that staff can develop market-relevant competencies. Network Leaders will initially focus on developing learning plans for lawyers, accountants, auditors and investigators through university alliances, knowledge networks and other media.

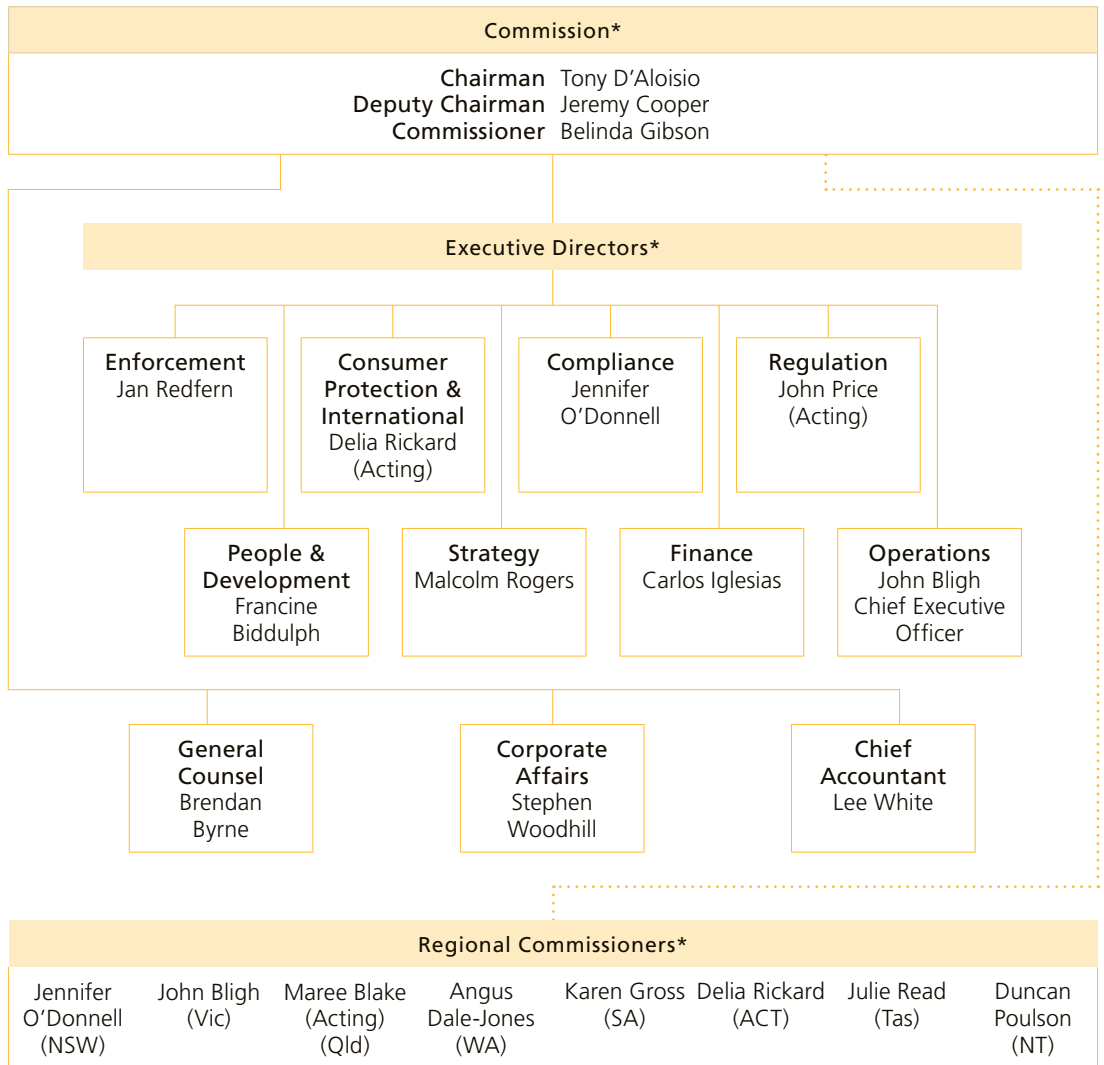
We are also introducing a formal mentoring program and expanding our performance management system to emphasise the desired leadership and credential-building behaviour necessary for productive performance.

An ASIC Academy will be created to provide a formal program for external training opportunities for leaders and potential leaders. The goal is to ensure they stay better connected with the external environment and learn with an externally based peer group. The ASIC Academy will play a critical role in developing world-class leadership skills at a senior level.

Our objective is to build credentials for our people; credentials that are sought after for senior roles both within and outside ASIC. This credential building will make ASIC a place where other people want to come and work.

**A key business change required to meet ASIC's future goals is to build our internal capabilities by developing more highly skilled and market-knowledgeable staff.**

# ORGANISATION



On 1 September 2008, ASIC will move to a new organisational structure that supports its priorities and objectives. As part of the restructure, 20 Financial Economy stakeholder and deterrence teams will have an external

focus to bring about behavioural change, Real Economy teams will focus on improving external service delivery, and Shared Services will focus on supporting ASIC staff.

\* Commissioners' biographies, Executive Directors' details and Regional Commissioners' details, see pages 36, 37 and 38.

# COMMISSIONERS

LEFT TO RIGHT: Jeremy Cooper, Belinda Gibson, Tony D'Aloisio



## **Tony D'Aloisio**

BA, LLB (Hons) (Melb)

Chairman since 13 May 2007 for a four-year term ending on 12 May 2011. Previously Commissioner from 22 November 2006.

Tony D'Aloisio has extensive commercial and legal experience and has been involved in business policy and regulation, having held a number of company directorships and public positions.

Before joining ASIC, he was Managing Director and Chief Executive Officer at the Australian Stock Exchange from 2004 to 2006.

Previously, he was Chief Executive Partner at Mallesons Stephen Jaques between 1992 and 2004. Mr D'Aloisio joined Mallesons in 1977 as a commercial lawyer, with principal areas of practice in mergers and acquisitions, taxation and restrictive trade practices and international trade and investment. In addition to practising law, he was also involved in extensive assessment of overseas markets in Asia, the UK and the US.

## **Jeremy Cooper**

LLB (Hons) (Melb), SF Fin, FAICD

Deputy Chairman since 12 July 2004 for a five-year term ending on 11 July 2009.

Jeremy Cooper is a lawyer and former partner of Blake Dawson where he was involved in many major corporate transactions, including takeovers, reconstructions, ASX listings and capital raisings. He has been a member of the Law Council's Corporations Committee since 1995 and is a regular speaker and press commentator on corporate law and financial services market issues.

## **Belinda Gibson**

BEC, LLB (Hons) (Syd), LLM (Hons) (Cantab)

Commissioner since 5 November 2007 for a three-year term ending on 4 November 2010.

Before joining ASIC, Belinda Gibson was a senior partner of Mallesons Stephen Jaques' mergers and acquisitions group in Sydney. Her practice was both advisory and transactional, with responsibility for leading teams, managing public and private acquisitions, and joint ventures. She was also part of the corporate governance group established in 2004 to respond to the ASX Governance Recommendations.

Ms Gibson was the Partner-in-Charge of the Mallesons' Sydney office and was also a director of Airservices Australia, the national air traffic control provider, from 2000 to 2004.

## **Jeffrey Lucy, AM**

FCA, FAICD

Commissioner from 13 May 2007 to 10 December 2007. Previously ASIC Chairman from May 2004 for a three-year term and Deputy Chair from February 2003.

Jeffrey Lucy is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. He was made a Member of the Order of Australia for his contribution to the accounting profession and to the business sector as an adviser on corporate and taxation reform.



# manage

## SENIOR EXECUTIVES

LEFT TO RIGHT STANDING: John Price, Jan Redfern, Carlos Iglesias

LEFT TO RIGHT SEATED: Delia Rickard, Malcolm Rodgers, Jennifer O'Donnell, John Bligh ABSENT: Francine Biddulph



### Directorate functions

<b>Francine Biddulph</b> , Executive Director, People & Development	Delivers human resource and development solutions and services to meet ASIC's people-related goals.
<b>John Bligh</b> , Chief Executive Officer	Responsible for helping to build a high-performance regulator by ensuring that ASIC's organisational processes and systems are positioned to deliver optimal outcomes.
<b>Carlos Iglesias</b> , Executive Director, Finance	Provides resources planning information for strategic decision making and provides a wide range of corporate management and support services.
<b>Jennifer O'Donnell</b> , Executive Director, Compliance	Responsible for influencing the behaviour of participants in the capital markets and financial services industry, with the aims of promoting compliance with the law and raising the ethical standards of business conduct.
<b>John Price</b> , Executive Director (Acting), Regulation	Responsible for building and maintaining the framework in which regulated activity takes place by determining applications for relief from the law, issuing licences and regulating traded markets
<b>Jan Redfern</b> , Executive Director, Enforcement	Works with other directorates to discharge ASIC's function of investigating suspected misconduct and taking appropriate enforcement action.
<b>Delia Rickard</b> , Executive Director (Acting), Consumer Protection & International	Focused on educating consumers and retail investors, making sure there are adequate protections in place for consumers of financial services and building international cooperation.
<b>Malcolm Rodgers</b> , Executive Director, Strategy	Responsible for driving the Strategic Review and the implementation of outcomes from the Review, with ongoing responsibilities for international strategy, economic research and strategic policy.

# REGIONAL COMMISSIONERS

LEFT TO RIGHT: John Bligh (Vic), Angus Dale-Jones (WA), Jennifer O'Donnell (NSW), Karen Gross (SA), Duncan Poulson (NT) and Delia Rickard (ACT). ABSENT: Julie Read (Tas) and Maree Blake (Qld).



In 2007–08, ASIC's Regional Commissioners ensured that we understood the specific needs of, and maintained service levels in, all the states and territories. They represented ASIC and reported on our activities and performance to state and territory ministers.

Regional Liaison Committees representing the business community met regularly through the year, received information on our performance and service, and offered ideas.

As a result of the Strategic Review, Regional Commissioners will liaise with the business community more closely and have an enhanced role managing people's career development and building teams in their region.

## CAP research

Our Consumer Advisory Panel (CAP) provides an important forum for ASIC to share information with consumer and community groups and gain intelligence about retail market issues. This year, the CAP researched the advice and information sources that consumers use when buying reverse mortgages, including an analysis of advice models used overseas.

## Staff speaker program

Under this new program, community groups can request an ASIC staff member to speak at meetings and events on consumer finance topics. We gave 42 presentations between the start of the program in August 2007 and 30 June 2008.

## Case study: Indigenous community work

ASIC extended its work with remote Indigenous communities, and made 70 visits to provide education and collect feedback on people's experiences with financial products and services. A key focus has been consumer lending, with ASIC working to reduce the problem of people taking out inappropriate loans and being unable to meet their repayments. As well as work with individual lenders, this included holding a conference on responsible lending in remote communities in March 2008.

# WHERE ASIC FITS IN THE REGULATORY PICTURE

## Who ASIC's work covers

Consumers, investors and creditors of corporations and other businesses, including an estimated:\*

- 16.6 million people who have a deposit account
- 11.3 million who invest in superannuation or annuities
- 10.2 million who have a major card (credit, debit or charge)
- 6.7 million who have a loan (e.g. home loan, mortgage for investment property, bridging loan, home equity loan, personal loan etc.)
- 5.2 million who directly own shares
- 1.9 million who have invested (managed investments/superannuation) through a financial planner/adviser, and
- 1.0 million who invest in managed investments.

## ASIC's statutory aims

In brief, section 1(2) of the ASIC Act requires us to:

- maintain, facilitate and improve the performance of the financial system and entities within it
- promote confident and informed participation by investors and consumers in the financial system
- administer the law effectively and with minimal procedural requirements
- act to enforce and give effect to the law
- receive, process and store, efficiently and quickly, information that is given to ASIC, and
- make information about companies and other bodies available to the public as soon as practicable.

## ASIC's legislation

ASIC regulates companies and financial services, and promotes investor, creditor and consumer protection under the *Australian Securities and Investments Commission Act 2001*, *Corporations Act 2001*, *Insurance Contracts Act 1984*, *Superannuation (Resolution of Complaints) Act 1993*, *Retirement Savings Accounts Act 1997*, *Superannuation Industry (Supervision) Act 1993*, *Life Insurance Act 1995*, *Medical Indemnity (Prudential Supervision and Product Standards) Act 2003* and *First Home Saver Accounts Act 2008*.

## Other regulators

APRA is the prudential regulator of the Australian financial services industry. It oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies and most members of the superannuation industry.

State and territory fair trading or consumer affairs agencies regulate consumer credit under the Uniform Consumer Credit Code.

The Reserve Bank of Australia regulates monetary policy and the stability of the financial system.

The ACCC promotes fair trading (except in financial services, which are regulated by ASIC) and competition in the marketplace.

The ASX is a regulated commercial organisation with some monitoring and supervisory responsibilities (e.g. the governance of listed companies and the on-exchange or on-market trade execution by brokers) derived from its commercial licences.

ASIC cooperated with these bodies through consultation at senior levels and regular contact by operational and policy staff.

\* Source: Roy Morgan Research, 12 months to March 2008, people aged 14+.



## ASIC governance

ASIC governance is effective. Internally, three full-time Commissioners (collectively referred to as 'the Commission') direct ASIC's complex and wide-ranging activities. Externally, ASIC is, pursuant to the ASIC Act, accountable to Parliament and the responsible Minister, to judicial and administrative review, and to the community.

ASIC's leadership structures, consultative arrangements and disclosure practices ensure that its powers are exercised for the benefit of the community.

## Role of Commissioners

Commissioners set priorities, appointed and evaluated the performance of Executive Directors, and approved delegations, budgets and business plans for each directorate.

Through day-to-day contact with executives and staff, and through written reports, Commissioners stayed informed about operational performance, finance, human resources and information technology. A Commissioner has also participated in the Audit Committee, see page 53.

ASIC's Office of the General Counsel reported directly to the Commission, giving legal counsel to Commissioners on ASIC operations and administration. Other independent legal and accounting experts also advised on specific matters.

The Commission held 20 formal meetings.

Commission member	Eligible to attend	Actual attendance
Tony D'Aloisio	20	19
Jeremy Cooper	16	16
Jeffrey Lucy	10	9
Belinda Gibson	11	11

Executive Directors and General Counsel also attended Commission meetings. Regional Commissioners also attended some meetings.

## ASIC management

The Commission has delegated various powers and functions to Executive Directors and staff reporting to them, to ensure that ASIC's business is carried out efficiently and effectively. Delegations were reviewed regularly and the Commission required its delegates to act in accordance with policies and procedures approved by the Commission.

## Commissioners set priorities, appointed and evaluated the performance of Executive Directors, and approved delegations, budgets and business plans for each directorate.

## Commissioners' appointment and remuneration

The Governor-General, on the nomination of the Treasurer, appoints ASIC Commissioners. Commissioners are appointed on fixed terms that may be terminated earlier only for reasons set out in section 111 of the ASIC Act. In June 2008, the Minister approved an increase in the number of incumbent Commissioners from three to five out of a statutory maximum of eight.

The Treasurer may nominate as Commissioners only people who are qualified by knowledge or experience in business, administration of companies, financial markets, financial products and financial services, law, economics or accounting. The Remuneration Tribunal sets Commissioners' remuneration, which is not linked to their performance.

## Reporting to Parliament

ASIC appeared before Committees of the Parliament of Australia on six occasions: the Parliamentary Joint Committee on Corporations and Financial Services (one), the Senate

Standing Committee on Economics (three), the House Standing Committee on Economics, Finance and Public Administration (one) and the House Standing Committee on Legal and Constitutional Affairs (one). We also made a written submission to the Senate Economics Committee about ASIC's bank fees review.

ASIC also submitted its Annual Report, and replied to Parliamentary questions and inquiries on behalf of constituents.

The Parliamentary Joint Committee on Corporations and Financial Services tabled statutory oversight reports on ASIC in August 2007. This important process enabled parliamentarians to examine us and make recommendations. The Committee reported that it remained 'satisfied that ASIC continues to carry out its duties in accordance with the provisions of the corporations legislation'.

## Relationship with the responsible Minister

The Ministers responsible for ASIC as at 30 June 2008 are the Treasurer, the Hon Wayne Swan, MP, and, in matters determined by him, the Minister for Superannuation and Corporate Law, Senator the Hon Nick Sherry.

Commissioners reported to the Minister through their Annual Report, and through briefings, submissions and meetings with the Treasurer or Minister for Superannuation and Corporate Law. ASIC also briefed Treasury about current issues and proposed changes to the law.

ASIC's legislation permits the Minister to direct ASIC in certain circumstances. Consistent with ministerial practice across most statutory authorities, such powers have rarely been exercised and were not exercised during the year.

Under section 12 of the ASIC Act, the Minister may direct ASIC about policies and priorities in using our powers or performing our functions, but may not direct ASIC about a particular case. Only one such general direction has been given, in September 1992, about collaboration and consultation between ASIC and the CDPP in the investigation and prosecution of serious corporate wrongdoing.

In addition, Commonwealth Ministers and departmental secretaries from time to time asked ASIC, along with other agencies, to conform to Government policies affecting our general administration, for example, by referring to particular sources of Government information when publishing ASIC information for small business. We exchanged letters of intent with the former Government on expectations of ASIC; these are on our website.

## Change to financial governance

From 1 July 2007, ASIC came under a new financial governance arrangement, the *Financial Management and Accountability Act 1997* (the FMA Act), which primarily governs our use of Commonwealth resources and our expenditure of public money.

## Relationship with states and territories

The Commonwealth assumed responsibility for corporate regulation from the states and the Northern Territory in 1991, under arrangements agreed (and subsequently revised) as set out in the *Corporations Agreement 2002*.

This Agreement requires the Commonwealth to consult the Ministerial Council for Corporations (MINCO), comprising Commonwealth, state and territory ministers, in appointing ASIC Commissioners, and requires ASIC to:

- consult the relevant state or territory minister in appointing Regional Commissioners
- maintain offices in each state capital and Darwin, and maintain certain minimum service levels in each state and the Northern Territory, and
- maintain regional liaison committees in each state and the Northern Territory to consult the local business community, and use our best endeavours to have a Commission member present at those meetings (see page 38).

ASIC attended MINCO to observe and answer questions about the administration of the corporations legislation. We also attended the Ministerial Council on Consumer Affairs as part of our role in protecting consumers in credit matters, a jurisdiction shared with the states and territories.

# PROCUREMENT

## Purchasing

To help meet our FMA Act obligations, a Central Procurement Team is responsible for overseeing procurement. The team ensures that all aspects of the Commonwealth procurement guidelines and ASIC's procurement requirements are adequately met.

Under ASIC's procurement framework, responsibility for procurement lies with the appropriate financial delegates. To support delegates, the team provides procurement advice on risk management, probity, specification development and contract management.

The team also manages procurements valued at \$50,000 or more, and complex procurements below this threshold that have been referred by delegates. Qualified procurement officers, with at least a Certificate IV in Government and Procurement, manage complex procurements to ensure that we follow the principles and policies of the Commonwealth procurement guidelines.

## AusTender

ASIC advertises all tender opportunities through the AusTender website.

In the past year, we have undertaken procurement to establish panels for the provision of the following services nationally:

- IT contracting
- risk management services
- recruitment services
- legal services
- printing
- actuarial calculators, and
- computer forensics.

We also undertook procurement for Strategic Review services (including surveys, research, business design, change processes, challenges and strategic thinking) and corporate governance relating to the STAR Program.

**During 2007–08, 105 new consultancy contracts were entered into involving total actual expenditure of \$8,836,668.**

We reported contracts of \$100,000 or more on our website, in accordance with the Senate Order on Departmental and Agency Contracts. Information on expenditure on contracts and consultancies is also available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au). Our annual procurement plan was published on AusTender by 1 July 2007, and regularly updated during the year.

There were two contracts, which were exempted from the contract reporting requirements. These contracts were for the provision of expert advice in relation to a current investigation and any subsequent administrative and/or civil proceedings. The contracts were for \$11,500 and \$13,000.

## Access by the Auditor-General

All contracts we entered into contained provisions allowing the Auditor-General access to information held by contractors relating to contract performance.

## Consultancy services

During 2007–08, 105 new consultancy contracts were entered into involving total actual expenditure of \$8,836,668. In addition, 86 ongoing consultancy contracts were active during 2007–08, involving total actual expenditure of \$817,670.

A list of all consultancy contracts let in 2007–08 to the value of \$10,000 or more (inclusive of GST) is available on our website at [www.asic.gov.au/procurement](http://www.asic.gov.au/procurement).

# manage

## ASIC'S PEOPLE

### Health and safety at work

To help encourage low rates of incidents and accidents in the workplace, we introduced the Supporting Safety Recognition Award, which identifies, rewards and promotes contributions made by employees.

There were 22 workers' compensation claims lodged, with 3 claims rejected by Comcare. Most claims were for repetitive strain injuries and falls resulting in muscle strain and back pain.

Our free employee assistance program is available to give assistance for personal and work-related problems, and we conducted an employee health survey to contribute to the development of a strategic framework for a corporate health program.

In April and May, 33 per cent of staff participated in ASIC's free influenza vaccination program. An evaluation of the previous year's program showed that vaccinated staff took fewer days of personal leave during the peak influenza period (1 June to 30 September).

We financially supported 196 participants in the Global Corporate Challenge, aimed at promoting health and wellbeing by encouraging people to measure their daily walking distance and compete against other teams in a virtual journey around the world.

We acted to prevent injuries by conducting 200 workstation assessments and implementing any necessary ergonomic adjustments.

There were two incidents of serious personal injury that were conveyed to Comcare under section 68 of the *Occupational Health and Safety Act 1991* (OH&S Act). There were no investigations conducted during the year under section 29 or 47 of the OH&S Act.



**Our free employee assistance program is available to give assistance for personal and work-related problems, and we conducted an employee health survey to contribute to the development of a strategic framework for a corporate health program.**

## Industrial and workplace relations

To attract and retain high-quality staff, we provide a range of financial rewards and non-financial benefits, such as flexible working

arrangements. Eligible employees received performance bonuses based on the outcomes of their performance review (3–15 per cent of salary). There is also access to salary packaging and study assistance, including assistance with fees and leave to attend courses and exams.

**Table 3: Performance payments for 2006–07 paid in 2007–08,\* by classification**

Employee level	Number of recipients	Aggregate	Performance payment range	Average performance payment
ASIC4	140	\$426,662	\$473–8,512	\$3,048
EXEC1	281	\$1,185,149	\$459–13,927	\$4,218
EXEC2	344	\$2,073,824	\$1,448–23,912	\$6,029
SES	55	\$642,010	\$2,712–35,171	\$11,673
Aggregate performance payments for the whole of ASIC				\$4,327,645

\* There were no performance payments paid relating to previous financial years.

The ASIC Collective Agreement 2007–09 (CA) was approved by staff in July 2007. It supports a culture of rewarding performance and recognises flexibility as an integral component in balancing work and other commitments. Productivity savings to fund the salary increases

in the CA came from organisational savings (primarily new or enhanced IT applications) and specific initiatives within business units (such as reductions in travel and greater use of IT workflows).

**Table 4: Industrial arrangements for ASIC staff**

Classification	ASIC Act 120(3) contract	AWA	CA	CA24*	Total
ASIC 1–3 (APS1–5)			569		569
ASIC 4 (APS6)		146	175		321
EXEC 1	4	287	24	19	334
EXEC 2	14	348	10	19	391
SES and equivalent	31	28			59
<b>Total</b>	<b>49</b>	<b>809</b>	<b>778</b>	<b>38</b>	<b>1,674†</b>

\* CA with supplementary conditions included in a *Public Service Act 1999* 24(1) determination.

† The actual number of industrial arrangements, which includes part-time staff.

While Australian Workplace Agreements (AWAs) are no longer offered, existing AWAs remain in force until they are terminated or replaced by another agreement. The majority of our executive-level staff are covered by AWAs that recognise the specific requirements of work at the executive level, as well as the expectations of these staff in terms of their reward and recognition.

Staff were offered AWAs at the ASIC 4 level, which provided the option of a performance bonus not available under the CA.

## While Australian Workplace Agreements (AWAs) are no longer offered, existing AWAs remain in force until they are terminated or replaced by another agreement.

To maintain parity with existing staff in similar roles, new employees at the executive levels are covered by the CA and have their terms and conditions supplemented under the provisions of section 24(1) of the *Public Service Act 1999*.

The ASIC Act includes a specific employment power for the engagement of executive and senior executive staff under section 120(3) contracts on terms and conditions consistent with those of our Australian Public Service (APS) staff.

**Table 5: Salary ranges**

Classification	Minimum per annum	Maximum per annum
ASIC 1 (APS 1)	\$35,473	\$39,206
ASIC 2 (APS 2/3)	\$41,253	\$49,354
ASIC 3 (APS 4/5)	\$52,584	\$60,276
ASIC 4 (APS 6)	\$62,921	\$71,231
Exec Level 1	\$78,709	\$96,562
Exec Level 2	\$90,777	\$132,515
SES	\$125,000	\$260,000

Remuneration for an SES officer is determined by the responsibility and accountability of the role, relativities with the remuneration of SES officers across the APS (and, where appropriate, the external marketplace in order to attract and retain appropriately skilled staff), and the particular skills, knowledge and experience of SES-level candidates for the position.

## Equal opportunity and merit

ASIC is an equal opportunity employer. Excluding contractors, consultants and agency temporary employees, women made up 45 per cent of our senior executives, down from 47 per cent, and comprised 56 per cent of our employees.

**Excluding contractors, consultants and agency temporary employees, women made up 45 per cent of our senior executives, down from 47 per cent, and comprised 56 per cent of our employees.**



Table 6: Operative and paid inoperative ASIC staff (including SCT\* and CALDB† staff) by classification and gender (as at 30 June 2008)‡

Employment Type	Classification	Ongoing							
		Full-time				Part-time			
		Female		Male		Female		Male	
		2008	2007	2008	2007	2008	2007	2008	2007
Appointee**	CHAIR				1				
	DEP CHAIR	1							
	MEMBER								
<b>Appointee Total</b>		<b>1</b>			<b>1</b>				
ASIC Act	ASIC4								
	EXEC1			1					
	EXEC2								
	SES	4	3	2	4				
	CONS#								
<b>ASIC Act Total</b>		<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>				
Public Service Act	ASIC1	2	2	1	2	1			
	ASIC2	115	114	43	34	51	37	4	4
	ASIC3	142	137	79	76	19	17	1	1
	ASIC4	143	136	121	106	21	16		
	EXEC1	136	127	139	129	16	18	4	3
	EXEC2	89	75	199	193	31	29	6	8
	SES	12	12	14	14	2	3		
<b>Public Service Act Total</b>		<b>637</b>	<b>603</b>	<b>595</b>	<b>556</b>	<b>141</b>	<b>119</b>	<b>15</b>	<b>17</b>
<b>Total</b>		<b>642</b>	<b>606</b>	<b>598</b>	<b>561</b>	<b>141</b>	<b>119</b>	<b>15</b>	<b>17</b>

\* Superannuation Complaints Tribunal (SCT)

† Companies Auditors and Liquidators Disciplinary Board (CALDB)

‡ Inconsistencies in totals and subtotals are due to rounding of the source data.

\*\*Includes the Chair and Acting Deputy Chair (APS ongoing staff) of the SCT.

# Includes all non-payroll IT contractors, secondees and agency staff.

# manage

Non-ongoing								Total	
Full-time				Part-time					
Female		Male		Female		Male			
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
1		1	1					2	2
		1	1		1			2	2
1			1					1	1
1		2	3		1			5	5
1	1	4	1					6	3
6	6	9	11				1	14	18
6	5	15	8	1	1			27	21
28	27	42	40					70	67
40	39	69	60	1	1		1	117	109
19	17	5	5	9	8	2	1	39	36
25	30	8	17	8	10	2	1	255	248
14	26	8	15		2	1	1	264	275
10	19	10	12	1	1	1		307	290
10	11	11	9	1				317	298
4	3	8	9	1	2			338	319
			1					27	30
82	105	50	68	20	25	6	4	1,547	1,496
124	144	122	131	21	26	6	5	1,669	1,610

**Table 7: ASIC employees (including SCT and CALDB staff) by classification and location (as at 30 June 2008)\***

Classification	VIC		NSW		QLD		WA		SA	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
CHAIR	1	1	1	1						
DEP CHAIR	2	2								
MEMBER			1	1						
SES	16	16	31	28	3	2	1	1	2	3
EXEC2	105	94	176	169	28	31	24	24	14	13
EXEC1	101	96	143	132	29	30	30	26	11	10
ASIC4	115	110	113	104	32	31	23	27	16	11
ASIC3	116	116	70	82	32	31	21	20	17	18
ASIC2	188	182	29	30	15	12	12	13	6	5
ASIC1	39	36								
CONS <sup>†</sup>	7	6	57	53	2	2	3	4		1
<b>Total</b>	<b>690</b>	<b>659</b>	<b>622</b>	<b>600</b>	<b>142</b>	<b>139</b>	<b>114</b>	<b>115</b>	<b>66</b>	<b>60</b>

\* Inconsistencies in totals and subtotals are due to rounding of the source data.

† Includes all non-payroll IT contractors, secondees and agency staff.

## Staff ethics

All ASIC staff must adhere to the APS values and code of conduct under the Public Service Act. The values and code require impartiality, honesty, diligence and service, and all staff are required to attend training to learn about and apply the values and code.

Formal procedures require disclosure of any real or apparent conflict of interest. Commissioners and staff are required to take no part in decisions where real or apparent conflicts of interest may arise. We set up special reporting and decision-making procedures to maintain the integrity of our decisions.

Members of the Commission disclosed to the Minister all direct and indirect pecuniary interests in businesses, companies or financial products regulated by ASIC.

Staff were required to keep registers of interests that supervisors may inspect at any time, and senior executives were required to submit statements of interests to the Chairman. Biannual disclosures are made by staff in February and July. The Commission has appointed senior disclosure officers to advise managers and staff on how to handle possible conflicts.

The APS values and code of conduct are covered in induction training for new staff and through our continuing education of staff about their responsibilities at work.

ACT		TAS		NT		Total	
2008	2007	2008	2007	2008	2007	2008	2007
						2	2
						2	2
						1	1
1	1	1	1			55	52
2	2	4	4			353	337
4	4	2	1	2	1	322	300
3	3	4	4		1	307	290
3	3	2	2	2	2	264	275
3	3	2	3		1	255	248
						39	36
1	1					70	67
17	17	15	15	4	5	1,669	1,610

## Fraud control

In 2007–08, we continued to implement the strategies outlined for the 2007–09 fraud control plan, which covers strategies and processes to avoid, detect, investigate and minimise the effects of fraud. We maintained reporting and data collection mechanisms that met our needs and complied with the Commonwealth Fraud Control Guidelines.

**All ASIC staff must adhere to the APS values and code of conduct under the Public Service Act. The values and code require impartiality, honesty, diligence and service.**

# ASIC SERVICE CHARTER

The ASIC Service Charter sets out the most common interactions we have with our stakeholders and how quickly they can expect us to respond to their phone calls, complaints, requests or applications.

Below is a report of our performance for the 2007–08 financial year against the commitments made in the Service Charter and compared with our 2006–07 performance.

**Table 8: ASIC Service Charter results**

Service	Service Charter target	2007–08 performance (1 July 07 – 30 June 08)	2006–07 performance (1 July 06 – 30 June 07)
<b>General phone queries</b>	We aim to answer your telephone queries on the spot	<b>95.3%</b> of calls answered on the spot (627,351 of 657,067) <b>4.7%</b> referred to specialist staff (29,716 calls)	<b>94%</b> of calls answered on the spot (630,856 of 670,755) <b>5.9%</b> referred to specialist staff (39,899 calls)
<b>General email queries</b>	We aim to reply within 2 business days to email queries sent to:  info.enquiries@asic.gov.au infoline@asic.gov.au onlineaccess@asic.gov.au	<b>98.3%</b> replied to in 2 business days (51,272 of 52,185)	<b>80%</b> replied to in 2 business days (23,091 of 29,057)
<b>General correspondence</b>	We aim to acknowledge receipt of general correspondence within 14 days of receiving it, and give a full response within 28 days:  General correspondence to Public Information Program about our public database and registers, including fee waivers  Correspondence received by our Correspondence Control Unit	<b>90.3%</b> fully responded to within 28 days (45,823 of 50,723)  <b>100%</b> acknowledged within 14 days (540 letters)  <b>77%</b> responded to within 28 days (444 of 574 letters)	<b>95%</b> fully responded to within 28 days (52,796 of 55,734)  <b>100%</b> acknowledged within 14 days (656 letters)  <b>71%</b> responded to within 28 days (470 of 661 letters)

# manage

Service	Service Charter target	2007–08 performance (1 July 07 – 30 June 08)	2006–07 performance (1 July 06 – 30 June 07)
Registering a company	We aim to complete company incorporations within 1 business day of receiving a complete application	<b>98%</b> in total (150,078 of 153,172)	<b>97%</b> in total (156,522 of 161,673)
		<b>96.7%</b> of paper forms completed in 1 day (21,363 of 22,114)	<b>86.7%</b> of paper forms completed in 1 day (21,959 of 25,320)
		<b>98.2%</b> of electronic forms completed in 1 day (128,715 of 131,058)	<b>98.7%</b> of electronic forms completed in 1 day (134,563 of 136,353)
Updating company information and status	We aim to enter critical changes to company information in the corporate register within 2 business days	<b>95.3%</b> (1,034,726 of 1,085,602)	<b>92%</b> (960,636 of 1,050,260)
		<b>84.4%</b> of paper forms in 2 business days (245,675 of 291,084)	<b>71.5%</b> of paper forms in 2 business days (214,296 of 299,908)
		<b>99.3%</b> of electronic forms entered in 2 business days (789,051 of 794,518)	<b>99.5%</b> of electronic forms entered in 2 business days (746,340 of 750,352)
Registering as an auditor	We aim to decide whether to register a person as an auditor within 28 days of receiving a complete application	<b>100%</b> registered within 28 days (112 individual applications and 18 authorised audit companies)	<b>100%</b> registered within 28 days (112 individual applications and 18 authorised audit companies)
Registering as a liquidator	We aim to decide whether to register a person as a liquidator or official liquidator within 28 days of receiving a complete application	Liquidators: <b>73%</b> decided within 28 days (16 of 22 applications)	Liquidators: <b>83%</b> decided within 28 days (15 of 18 applications)
		Official liquidators: <b>89%</b> decided within 28 days (25 of 28 applications)	Official liquidators: <b>83%</b> decided within 28 days (24 of 29 applications)
Registering a managed investment scheme	By law, we must register a managed investment scheme within 14 days of receiving a complete application	<b>99%</b> registered in 14 days (512 of 519)	<b>95%</b> registered in 14 days (583 of 616)



## ASIC SERVICE CHARTER CONTINUED ...

Service	Service Charter target	2007–08 performance (1 July 07 – 30 June 08)	2006–07 performance (1 July 06 – 30 June 07)
<b>Applying for or varying an AFS licence</b>	We aim to decide whether to grant or vary an Australian financial services licence within 28 days of receiving a complete application	<p>Granting a licence: <b>67%</b> decided in 28 days (272 of 404 applications)</p> <p>Varying a licence: <b>75%</b> decided in 28 days (654 of 874 applications)</p> <p>This result is for all applications, including those where we did not initially receive all the information we needed to make a decision</p>	<p>Granting a licence: <b>65%</b> decided in 28 days (310 of 474 applications)</p> <p>Varying a licence: <b>71%</b> decided in 28 days (503 of 709 applications)</p> <p>This result is for all applications, including those where we did not initially receive all the information we needed to make a decision</p>
<b>Applying for an Australian market licence</b>	We aim to give the Minister our recommendation about simple applications to operate financial markets within 12 weeks of receiving an application	N/A (no recommendations to Minister made in this period)	<b>100%</b> to Minister within 12 weeks (3 applications)
<b>Applying for relief</b>	If you lodge an application for relief from the Corporations Act that does not raise new policy issues, we aim to give you an in-principle decision within 21 days of receiving all necessary information and fees	<p><b>71%</b> of in-principle decisions made within 21 days (2,188 of 3,101 applications)</p> <p>This result is for all applications, including those where we did not initially receive all the information we needed to make a decision</p>	<p><b>74%</b> of in-principle decisions made within 21 days (2,278 of 3,062 applications)</p> <p>This result is for all applications, including those where we did not initially receive all the information we needed to make a decision</p>
<b>Complaints about misconduct by a company or Individual</b>	If you make a complaint about the activities of a company or individual, we aim to respond to you within 28 days of receiving all relevant information	<b>78%</b> finalised within 28 days (8,880 of 11,436)	<b>81%</b> finalised within 28 days (8,620 of 10,681)

# AUDIT COMMITTEE AND AUDIT, ASSURANCE AND COMPLIANCE SERVICES

The Audit Committee, under a charter agreed between the Committee and the Commission, assisted Commissioners maintain and improve:

- the effectiveness and integrity of ASIC risk management and internal controls
- the credibility, objectivity and quality of ASIC's financial reporting and financial statements, and
- ASIC's compliance with relevant laws.

The charter was amended in 2007 to reflect ASIC's transition to the governance of the FMA Act.

The Committee reviewed ASIC's 2007–08 Financial Statements and provided a degree of assurance to the Commissioners before they signed those statements.

The Committee met four times during the year.

Members	Eligible to attend	Meetings attended
<b>Robert Savage,</b> appointed March 2000; Chairman since January 2005. Reappointed as Chairman commencing 30 January 2008.	4	4
<b>Robert Lynn,</b> appointed March 2002; Deputy Chairman since January 2005. Reappointed as Deputy Chairman commencing 30 January 2008.	4	4
<b>Byram Johnston,</b> appointed January 2005.	4	4
<b>Belinda Gibson,</b> ASIC Commissioner, appointed December 2007.	2	2
<b>Jeffrey Lucy,</b> ASIC Chairman (until 12 May 2007) and ASIC Commissioner (13 May 2007 to 10 December 2007), appointed February 2006. Resigned December 2007.	2	2
<b>Angus Dale-Jones,</b> ASIC WA Regional Commissioner, initially appointed in May 2005 for two years. Reappointed May 2007. Resigned June 2008.	4	4

The Audit Committee Chairman, Deputy Chairman and one other member are independent members, appointed from outside ASIC. All three independent members are Chartered Accountants, company directors and have significant financial and business experience. The third independent member, Mr Johnston, is also the independent Chairman of the ASIC IT Board.

The internal appointees are ASIC Commissioners Jeffrey Lucy (to December 2007) and Belinda Gibson (since December 2007), representing the Commission, and WA Regional Commissioner Angus Dale-Jones.

The National Manager Audit, Assurance and Compliance reports to the Audit Committee.

The Committee sent a report to the Commission after each meeting. The Chairman of the Committee met separately with the ASIC Chairman on several occasions. He also met separately with Executive Directors and Directors in charge of ASIC's business units.

In 2007–08, the Audit Committee considered a report arising from an independent review of the methodology and processes used by ASIC's internal auditors, and recommended that the Commission accept all recommendations made in the report.

The Australian National Audit Office provided external audit services. Both external and internal audit representatives attended Audit Committee meetings.

## Robert R Savage

Chairman, ASIC Audit Committee  
July 2008